

HOUSE BILL No. 1283

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-21-3-4; IC 16-25-5-9; IC 16-27-1-17; IC 16-28-2-10; IC 25-1-9-19; IC 27-8-5.9; IC 27-13-36.3.

Synopsis: Payment for health services. Specifies certain requirements for a health care provider concerning collection of payment for health services from a patient who is covered under a policy of accident and sickness insurance or a health maintenance organization contract. Establishes a duty to resolve financial matters related to a policy of accident and sickness insurance or a health maintenance organization contract.

Effective: July 1, 2003.

Harris

January 13, 2003, read first time and referred to Committee on Insurance, Corporations and Small Business.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1283

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-21-3-4 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 4. (a) A hospital or an ambulatory outpatient surgical**
4 **center shall not attempt to collect payment for services from a**
5 **patient until the hospital or ambulatory outpatient surgical center**
6 **exhausts every available means to collect payment for the services**
7 **from the patient's insurer or health maintenance organization.**

8 **(b) A hospital or an ambulatory outpatient surgical center that**
9 **collects payment for services from a patient shall reimburse the**
10 **patient for any amount of the payment collected that is later paid**
11 **by an insurer or a health maintenance organization.**

12 **(c) A hospital or an ambulatory outpatient surgical center shall**
13 **repay to the patient described in subsection (b) interest on the**
14 **amount later paid at a rate of three percent (3%) per month from**
15 **the date the amount was collected from the patient to the date the**
16 **hospital or ambulatory outpatient surgical center repays the**
17 **patient.**



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SECTION 2. IC 16-25-5-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9. (a) A hospice shall not attempt to collect payment for hospice services from a hospice program patient until the hospice exhausts every available means to collect payment for the hospice services from the hospice program patient's insurer or health maintenance organization.**

(b) A hospice that collects payment for hospice services from a hospice program patient shall reimburse the hospice program patient for any amount of the payment collected that is later paid by an insurer or a health maintenance organization.

(c) A hospice shall repay to the patient described in subsection (b) interest on the amount later paid at a rate of three percent (3%) per month from the date the amount was collected from the hospice program patient to the date the hospice repays the patient.

SECTION 3. IC 16-27-1-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 17. (a) A home health agency shall not attempt to collect payment for home health services from a patient until the home health agency exhausts every available means to collect payment for the services from the patient's insurer or health maintenance organization.**

(b) A home health agency that collects payment for home health services from a patient shall reimburse the patient for any amount of the payment collected that is later paid by an insurer or a health maintenance organization.

(c) A home health agency shall repay to the patient described in subsection (b) interest on the amount later paid at a rate of three percent (3%) per month from the date the amount was collected from the patient to the date the home health agency repays the patient.

SECTION 4. IC 16-28-2-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 10. (a) A health facility shall not attempt to collect payment for services from a patient until the health facility exhausts every available means to collect payment for the services from the patient's insurer or health maintenance organization.**

(b) A health facility that collects payment for services from a patient shall reimburse the patient for any amount of the payment collected that is later paid by an insurer or a health maintenance organization.

(c) A health facility shall repay to the patient described in

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1 subsection (b) interest on the amount later paid at a rate of three
 2 percent (3%) per month from the date the amount was collected
 3 from the patient to the date the health facility repays the patient.

4 SECTION 5. IC 25-1-9-19 IS ADDED TO THE INDIANA CODE
 5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 6 1, 2003]: Sec. 19. (a) A practitioner shall not attempt to collect
 7 payment for health care services from a patient until the
 8 practitioner exhausts every available means to collect payment for
 9 the services from the patient's insurer or a health maintenance
 10 organization.

11 (b) A practitioner that collects payment for health care services
 12 from a patient shall reimburse the patient for any amount of the
 13 payment collected that is later paid by an insurer or health
 14 maintenance organization.

15 (c) A practitioner shall repay to the patient described in
 16 subsection (b) interest on the amount later paid at a rate of three
 17 percent (3%) per month from the date the amount was collected
 18 from the patient to the date the provider repays the patient.

19 SECTION 6. IC 27-8-5.9 IS ADDED TO THE INDIANA CODE
 20 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2003]:

22 **Chapter 5.9. Duty to Resolve Financial Matters**

23 **Sec. 1.** As used in this chapter, "policy of accident and sickness
 24 insurance" has the meaning set forth in IC 27-8-5-1.

25 **Sec. 2. (a)** An insurer that issues a policy of accident and
 26 sickness insurance and a health care provider that provides health
 27 care services covered under the policy have a duty to an individual
 28 insured under the policy to resolve financial matters related to the
 29 policy without harm to the insured.

30 (b) An individual who is damaged by a breach of the duty
 31 described in subsection (a) is entitled to bring an action in a court
 32 with jurisdiction against the insurer and the health care provider
 33 that breached the duty.

34 (c) A court may award damages to an individual described in
 35 subsection (b), including:

- 36 (1) punitive damages;
- 37 (2) court costs and attorney's fees; and
- 38 (3) actual damages, including harm resulting from damage to
 39 the individual's credit record.

40 SECTION 7. IC 27-13-36.3 IS ADDED TO THE INDIANA CODE
 41 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2003]:

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Chapter 36.3. Duty to Resolve Financial Matters

Sec. 1. A health maintenance organization and a provider that provides health care services covered under an individual contract or group contract have a duty to an enrollee to resolve financial matters related to the contract without harm to the enrollee.

Sec. 2. An enrollee who is damaged by a breach of the duty described in section 1 of this chapter is entitled to bring an action in a court with jurisdiction against the health maintenance organization and the provider that breached the duty.

Sec. 3. A court may award damages to an enrollee described in section 2 of this chapter, including:

- (1) punitive damages;**
- (2) court costs and attorney's fees; and**
- (3) actual damages, including harm resulting from damage to the enrollee's credit record.**

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